



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor
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December 4, 2003

Mr. Don West
Environmental Management Support, Inc.
8601 Georgia Avenue, Suite 500
Silver Spring, MD 20910

Subject: EPA Brownfields Revolving Loan Fund Grant Application

Dear Mr. West:

The Wisconsin Brownfields Coalition is applying for \$4 million to create a Brownfields Revolving Loan Fund (RLF). The Wisconsin Brownfields Coalition (WBC) members are the Wisconsin Departments of Administration (DOA), Commerce and Natural Resources (DNR). The local government members are 8 of the 9 Regional Planning Commissions (RPCs), including 5 tribal members of one RPC, covering 55 of the 72 counties in the state. The WBC's "Ready for Reuse: Leave No Brownfields Behind" initiative is reflective of the critical need for clean-up dollars to move the estimated 10,000 brownfields properties to the redevelopment stage in Wisconsin.

The state members will administer the RLF, with DNR as the cooperative agreement recipient. Commerce would lend its expertise in economic development and revolving loans, while DOA would use its experience implementing the state's Coastal Management grants, Comprehensive Planning grants, and revolving loan programs. DNR would contribute its technical cleanup expertise, as well as its financial experience with EPA grants and loans. The RPCs, including the tribal members, would provide the connection with the local governments and tribes, to target projects, market the program and assist member communities throughout the RLF process.

The WBC's proposal would provide \$4 million in cleanup funds to local governments and tribes, in the form of no-interest loans and sub grants. The WBC seeks \$3 million dollars in hazardous substance and \$1 million in petroleum funds. The WBC would make 60% of the funds available as no-interest loans, with the remaining 40% as sub grants. The recipients of the RLF funds would supply a 20% cost share. The WBC's petroleum funds would be used at brownfield projects not eligible for reimbursement from the state's Petroleum Environmental Cleanup Fund Award (PECFA). The WBC plans to award all \$4 million within two years.

Wisconsin's continuing economic challenges have heightened the need for these funds. In November 2003, the Corporation for Enterprise Development issued their annual report card concerning development opportunity in the 50 states. Wisconsin received a

“C” for business vitality, a “D” for employment, and a “C” for development capacity. Two statistics of most concern were that Wisconsin led the nation in mass layoffs and was ranked 46th in new companies created. In essence, each of the 7,600 known contamination sites and estimated 2,400 undiscovered brownfields properties represent a lost economic opportunity. Further compounding this situation is that mass layoffs can result in plant closings, which in turn can leave indigent brownfields properties in their wake.

In response, the WBC proposes to target the much-needed RLF funds to community-driven brownfields projects that would not otherwise receive any, or sufficient, state cleanup funds. In particular, the WBC will dedicate funds towards green space projects, public use projects, and to “jump start” private investment in economic development projects. The WBC will strive to achieve a balance of projects, with particular interest in the following: (1) projects in neighborhoods or communities that are economically distressed due to plant closing, layoffs, poverty or unemployment levels being above the state average; (2) brownfields projects along waterfronts that result in economic benefits, ecosystem protections, access to recreational areas, or a combination of these; (3) striking a balance between urban and rural projects, with a fair balance of projects funded across the state; and (4) promoting the use of innovative clean up techniques, sustainable development practices, and integration of brownfields and smart growth planning.

The WBC’s proposal, if funded, would lead to the leveraging of significant state, local and private investment. State grants and loans could be packaged with RLF funds to provide communities and tribes with the dollars needed to complete priority projects. Wisconsin estimates that this federal money could leverage \$7 in additional investment for every \$1 of RLF funds, for a total of \$28 million of leveraged dollars. The WBC’s strategy of making these funds available on a statewide basis will also maximize our ability to quickly obligate the funds to eligible projects. Not only are there 7,600 potentially eligible properties, but Wisconsin’s Site Assessment grant program for local governments has a list of 162 assessment projects where these funds could immediately be put to use.

The WBC hopes that EPA agrees that Wisconsin’s “Ready for Reuse: Leave No Brownfields Behind” initiative is a project well worth investing your resources in. Thank you in advance for your consideration of the attached WBC’s RLF grant application.

Sincerely,

Scott Hassett, Secretary

Attachments

Cc:

Wisconsin Brownfields Coalition
Members

Deborah Orr, EPA Region 5 Brownfields
Wisconsin Brownfields Study Group